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C O N F I D E N T I A L SECTION 01 OF 02 DAKAR 001170

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STATE FOR AF/W, AF/RSA, AF/EX, WHA/BSC, OBO, AND S/P ACCRA ALSO FOR USAIDWA LISBON ALSO FOR DAO PARIS FOR POL - D'ELIA

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TAGS: PREL PGOV ECON SNAR PU
SUBJECT: GUINEA-BISSAU: AMBASSADOR PRESENTS HER
CREDENTIALS, FINDS WILL TO REFORM

REF: DAKAR 0984

Classified By: Ambassador Janice L. Jacobs for reasons 1.4 (b) and (d).

#### SUMMARY

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11. (C) Ambassador Jacobs presented credentials to President Joao Bernardo "Nino" Vieira and met with Prime Minister Aristides Gomes; members of the diplomatic corps, human rights and development NGOs, UNOGBIS, the UNDP representative for de-mining, the Law Faculty, National Assembly, a cashew producer, and former President Rosa, May 8-10. At most stops, she heard calls for the U.S. to reopen our mission to Guinea-Bissau. The country continues its march toward stabilization and reform. Building institutional capacity will be a long, slow process but, luckily, the will exists. Reestablishing a permanent U.S. presence in Guinea-Bissau is both feasible and needed now more than ever. END SUMMARY.

# AMBASSSADOR PRESENTS CREDENTIALS, INVITED TO STAY

- 12. (C) Ambassador Jacobs presented credentials to President Vieira along with Ambassadors from Canada, Morocco, India, and Algeria on May 9. In a private meeting immediately after the ceremony, Vieira talked about his concern that Guinea-Bissau is becoming a major transit point for narcotics. He also discussed the need for a system of oil wealth management, should new test wells reveal profitable reserves. To that end, the Ambassador provided the President with a collection of research papers on the topic that post had translated into Portuguese. President Vieira assured the Ambassador that Guinea-Bissau is working toward national reconciliation and security sector reform. One positive development is a dialogue about reconciliation between Vieira and Malam Bacai Sanha, who finished second in the presidential election and is still an influential leader in the fractured Party for the Independence of Guinea-Bissau and Cape Verde (PAIGC).
- 13. (C) Both President Vieira and Prime Minister Gomes made impassioned arguments for re-opening of the U.S. Embassy in Bissau. Gomes claimed Guinea-Bissau is not in crisis and wondered how long the U.S. would watch and wait before returning. The Ambassador told them and the press there are no immediate plans to reopen and that such a decision takes time. We are, however, encouraged by the progress being made toward stability and development of democratic institutions.

#### NATIONAL ASSEMBLY LEADERSHIP

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14. (U) Francisco Benante, the President of the National Popular Assembly (ANP) told the Ambassador that in order to be effective, the ANP needs computers, resources, and training. Acknowledging the National Democratic Institute's (NDI's) training and capacity building program, he said it was useful. (COMMENT: Post agrees that additional training and resources are required to help the ANP transform into a functioning, democratic body. We requested USD 400,000 in ESF for a second phase of the NDI project for this purpose in reftel. The ANP continues to be plagued by petty internal squabbles, lack of outreach to constituents and civil society, little or no legislative research, and low productivity in terms of number and importance of legislation produced. One positive note is that deeply divisive political rhetoric related to the border conflict has quieted considerably. We believe that "diversity training" might usefully be incorporated into NDI's follow-on program to address Guinea-Bissau's deep ethnic divisions and to enhance the role of women in the ANP. END COMMENT.)

#### TRIPARTITE COOPERATION

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- 15. (U) The Ambassador told the Acting Foreign Minister and the Prime Minister that we are looking for a letter specifying a range of dates the Foreign Minister could sign the trilateral agreement between Brazil, the United States and Guinea-Bissau in Washington. They agreed to provide one quickly and thanked the Ambassador for the opportunity.
- $\P6.$  (U) Brazil,s Ambassador to Guinea-Bissau told the Ambassador he was looking forward to the tripartite agreement

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opening the way for other collaborative efforts. He suggested opening his Embassy library to an American Corner and teaching English for starters. He told the Ambassador about Brazil,s cooperation efforts in Guinea-Bissau, which include technical assistance for machine maintenance, literacy, preparing for the Community of Portuguese-Speaking Countries (CPLP) conference in Bissau this July, and a significant program on security sector reform. He mentioned that Armed Services Chief General Baptista Tagme Na Waie was currently in Brazil on a study tour of the armed forces to learn about reforming the military.

### CASHEWS

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17. (C) Head of the Cashew Exporters Association and cashew processor Francisco Flamingo told the Ambassador the government,s cashew policy is backward. According to him and others in the industry, the Government fixed the price for raw nuts above the market rate, and did it too late in the season. Buyers are not purchasing in large quantities and imminent rains threaten this year,s crop. There are stocks of cashews not sold last year that will soon be worthless. All these problems are a result of poor policy, according to Flamingo. U.S. NGO EnterpriseWorks, which is leaving Guinea-Bissau in June upon completion of its USAID grants to develop the cashew sector, agrees with his analysis. EnterpriseWorks is helping to establish a local NGO to continue policy and capacity building work for this industry, which accounts for about 95 percent of Guinea-Bissau,s export earnings, but it does not yet have the funding to support the transition.

## COMMENT

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18. (C) Verbal conflict is common in Guinea-Bissau: between political parties and within the PAIGC; among the predominately Balanta foot soldiers and other ethnic groups in the military; between the military and civil society; and within Muslim communities. However, the most significant conflicts seem to be personal disputes over houses, money and property that blow up into national crises. These low-level

conflicts grow in importance because institutional structures are fundamentally weak. The work of building them up is daunting because every sector seems like a priority. Fortunately, the personalities in power appear genuinely interested in achieving stability through development of institutional capacity. A small, permanent U.S. presence could have a major impact on stability -- just as our USD 2-3 million annual assistance budget has had a huge impact on the economy and the society. Now is the right moment for a return of permanent U.S. representation. END COMMENT. JACOBS